



CITY OF EUREKA, CALIFORNIA

REQUEST FOR PROPOSALS (RFP)

Project Title: CANNABIS RETAIL BUSINESS INVITATION (2019-13)

Description: Selection of cannabis retail businesses to be invited to either begin the Use Permit process or modify existing retail Use Permits in 2019.

Contact Person: Rob Dumouchel, Associate Planner
Development Services Department
City of Eureka, 531 K Street, Eureka, CA 95501
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Email: rdumouchel@ci.eureka.ca.gov

Critical Dates and Deadlines

RFP Announcement Released:	1/28/19
Optional Pre-submittal Meeting/Conference Call:	2/15/19 (call # above for info)
Deadline for Submittal of Questions:	2/19/19
Addendum #1 (answers to questions):	2/26/19 (call # above to receive a copy)
Proposal Submittal Deadline:	3/15/19 (No Later than 4:00pm)
Selection Panel Review:	3/29/19
Announcement of Businesses to be Interviewed:	4/5/19
Interviews with Select Businesses (if necessary):	4/12/19
City Council Agenda Due:	4/22/18
City Council Agenda Publically Released:	5/1/19
City Council Selection of Businesses:	5/7/19

All submittals shall be professionally produced and printed in ink clearly and legibly, in conformance with this RFP. Proposals shall be printed double-sided on 8-1/2 x 11 inch paper. By the date/time listed above, ten (10) bound copies and one (1) unbound copy of the proposal shall be submitted in an envelope or box plainly marked on the outside: "Cannabis Retail Proposal." Applicants must also submit a digital copy of their proposal to the City by email to developmentsservices@ci.eureka.ca.gov by the date listed above. The City of Eureka is not responsible for any costs incurred in the preparation of proposals and/or any work rendered by a firm prior to the contract award.

NOTICE OF REQUEST FOR PROPOSALS

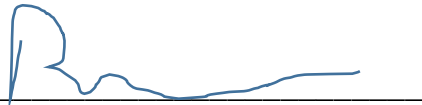
City of Eureka Bid#: 2019-13

PROJECT TITLE: CANNABIS RETAIL BUSINESS INVITATION (2019-13)

1. The City of Eureka (hereinafter "CITY") is issuing a Request for Proposals (RFP) for prospective Cannabis Retail Businesses that are seeking to establish an on-site and/or off-site Cannabis Retail Facility within the CITY. This RFP applies to both those who already have cannabis retail Use Permits wishing to add new uses (i.e. on-site consumption) and those businesses that do not have cannabis retail Use Permits. Interested persons (Respondent) must submit a set of required documents to the CITY in the form of a Proposal. The CITY will receive Proposals in the Finance Office, 1st Floor, 531 K Street, Eureka, California, 95501, no later than **4:00 PM, Friday, March 15, 2019**.
2. The services to be performed by the successful Respondent are described in the Request for Proposals. Copies of the Request for Proposals are available on the City's website at: <http://www.ci.eureka.ca.gov/depts/pw/engineering/bids.asp>. For more information you may contact:

Rob Dumouchel
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3. All responsive Proposals shall be reviewed and evaluated by the CITY in order to determine which Respondent(s) best meets the CITY's criteria for a Cannabis Retail Facility. The CITY's evaluation criteria are set forth in the Scope of Work of the RFP.
4. The CITY reserves the right to reject any and all Proposals or waive minor irregularities in any Proposals or the Qualification Process.
5. The CITY is not responsible for any costs incurred in the preparation of Proposals and/or any work rendered by a firm prior to or after the contract award.



Rob Holmlund
Development Services Director

1/24/2019

Date

BACKGROUND INFORMATION

The City of Eureka is inviting submittal of Proposals from persons (“Respondents”) interested in participating in a Use Permit process and Cannabis License process to establish a cannabis retail facility within the City of Eureka. The City will not charge a fee for submittal of Proposals and the City of Eureka is not responsible for any costs incurred in preparation of Proposals.

In October 2017, the Eureka City Council adopted a cannabis ordinance (Eureka Municipal Code, Chapter 158) that allows cannabis retail businesses that have obtained the proper permits to operate in specific zone districts. Note that after an October 2018 amendment of Chapter 158, “cannabis retail facilities” are now classified as either on-site retail facilities or off-site retail facilities. “On-site” and “off-site” refer to where the cannabis is intended to be consumed. This change creates opportunities for on-site consumption of cannabis and cannabis products at licensed cannabis retail facilities. The City does not differentiate between “medical” and “adult-use” in the City’s cannabis licensing processes.

The section below titled “**Eureka Cannabis Regulations and Permissible Locations**” contains hyperlinks to the Cannabis Ordinance, the zoning map, and to other useful information.

Per the Eureka Municipal Code, cannabis retail businesses must be invited to apply for permits by the Eureka City Council. Only those persons who are invited by the City Council may apply for the permits for a cannabis retail facility. All Proposals submitted to the City will be reviewed by a screening panel. The screening panel will then make recommendations to the City Council for businesses to be invited into the permitting process. The Cannabis Ordinance was updated in 2018 to remove the restriction that only two cannabis retail facilities would be allowed to apply for use permits and commercial cannabis licenses every six months. Now, the number of Respondents chosen is at the discretion of the City Council.

Once Respondents are selected through this RFP process, each of the businesses will then need to complete the processes associated with the City’s Cannabis License and the City’s Use Permit. Building permits, design review approval, CEQA, and other permits may also be required. Selected businesses will not be able to begin operations of their cannabis retail facility until all required permits are complete and approved. It is possible that the selected businesses will fail to complete the required permitting processes. In other words, Respondents that are selected through this RFP process are not guaranteed the right to establish a cannabis retail business. Rather, Respondents that are selected through this RFP process are merely invited to begin the permitting process, which will require between three and 12 additional months following being selected through this RFP process.

Eureka Cannabis Regulations and Permissible Locations

Prior to drafting a proposal, the City encourages Respondents to review the following:

- [Cannabis Ordinance, Eureka Municipal Code, Chapter 158](#) (call or email Contact Person on cover page for a copy)
- If proposed location is in the Coastal Zone, Eureka Municipal Code Article 30 (call or email Contact Person on cover page for a copy)
- [Zoning Map](#) (be advised that the City is undergoing a zoning code update which will change the zoning of many parcels throughout the City, it is advised Respondents follow this process while choosing spaces in which to do business)
- [Cannabis GIS+ Viewer](#)

When reviewing the above, note that cannabis retail facilities are only allowed as either a conditional (C) or minor conditional (MC) use in the following zone districts:

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Zone	Off-Site Retail	On-Site Retail with Consumption	On-Site Retail, Topicals and Edibles Only
Central Commercial (CC)	C	C	MC
Neighborhood Commercial (CN)	C	C	MC
Service Commercial (CS)	C	C	MC*
Waterfront Commercial (CW)	N/A	N/A	C*
Hospital Medical (HM)	C	C	MC
General Industrial (MG)	C	C	MC*
Limited Industrial (ML)	C	C	MC*

*These uses have not yet been certified by the California Coastal Commission; this process is in progress.

If you need help determining if a candidate location is within one of these permissible zoning districts, contact the individual identified on the first page of this RFP.

As of the date this RFP was released, the Eureka Municipal Code and Local Coastal Program Amendment allowing on-site consumption of cannabis and cannabis products has not yet been certified by the California Coastal Commission. A date for certification of that amendment has not yet been determined. The City anticipates that certification will occur in late 2019. Parties interested in applying for these uses in these zones are still encouraged to apply. If you are proposing to locate a cannabis retail facility that includes on-site consumption of cannabis and cannabis products in the coastal zone portion of Eureka, contact the individual identified on the first page of this RFP to discuss your options.

REQUIRED CONTENTS OF PROPOSAL

Proposals shall include the following information presented in a clear and concise format in order to present the Respondent's vision for their proposed facility, as well as to demonstrate the Respondent's related experience, competence, and professional qualifications to operate a cannabis retail facility. The City highly recommends that Respondents create an outline **identical** to the outline provided below and answer the questions presented in the **exact order** shown below. This will make it easier for the City to review and score proposals. Proposals that are overly long and contain information that the City is not asking for will lose points. Proposals should be concise and focus solely on the items below.

1. **SECTION 1: Cover Letter (5 points):** A cover letter (2 pages maximum) summarizing Respondent's understanding of what it takes to operate a cannabis retail facility in Eureka and the Respondent's interest in establishing a cannabis retail facility in Eureka. Identify the name of the applicant, the name of the business, and contact information (including phone and email). Include a brief description of the proposed business that clearly states what type(s) of retail it will engage in (dispensary, delivery with or without a storefront, event retail (i.e. vending at licensed events around the State), and/or on-site consumption including type(s) of consumptions: smoking, edibles, topicals).
2. **SECTION 2: Physical Description and Layout (25 points):**
 - a. EXTERIOR – Describe in detail how you envision the exterior of your facility.
 - b. INTERIOR – Describe in detail how you envision the interior of your facility.
 - c. EXPERIENCE OF CUSTOMERS (not applicable if you are applying for a delivery only retail business) – Describe in detail the experience you envision that your customers will have as they pass through the physical space of your facility. Describe a step-by-step

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narrative of what your customers will experience from the beginning of their interaction with your facility through the end of their interaction with your facility. If there are multiple types of interactions, then describe each type of interaction.

- d. **SIZE OF FACILITY BY ROOM** – How many square feet do you envision your facility to be? At the very least, provide a range of sizes. Also, indicate how the facility will be internally divided. What proportion of the interior space will be dedicated to the various components of the facility? In addition to a description, the City recommends creating a table similar to this:

FACILITY COMPONENT	LOW ESTIMATE OF SQUARE FEET	HIGH ESTIMATE OF SQUARE FEET
Bathroom	50sf	150sf
Storage area	100sf	300sf
Staff office	120sf	250sf
Retail area #1	500sf	2,000sf
Etc		
Etc		
Etc		
Etc		
TOTAL SQUARE FEET	_____ sf	_____ sf

- e. **PLAN-VIEW SKETCH** – Provide a conceptual-level plan-view sketch of how you envision the interior of the facility, including:
- Full interior layout as envisioned
 - Areas where customers will and will not be allowed and areas that are for staff only.
 - Exterior doors, including which doors customers will and will not be allowed to use.
 - Loading doors and areas.
- f. **INVESTMENTS/IMPROVEMENTS** – Describe the interior and exterior investments/improvements that you plan to make to the premises in which you plan to locate your facility. If you already have a specific location identified, then describe the interior and exterior investments/improvements that you plan to make to that specific location. If you do not yet have a specific location identified, then describe the interior and exterior investments/improvements that you would make to a conceptual location.
- g. **DELIVERIES** – Will your facility include deliveries? If so, describe in detail how deliveries will work. Provide detail on the logistics of delivering cannabis to customers.
- h. **ON-SITE CONSUMPTION BY SMOKING** – If applicable, describe how you will meet state building and labor code requirements for creating an indoor cannabis smoking area. Provide sufficient detail to show reviewers that your business understands the improvements required to a proposed space as well as the potential cost of meeting any code requirements.
- i. **AVERAGE NUMBER OF CUSTOMERS** – Identify the average number of customers you expect to enter your facility in the first year and the average number of customers you expect to enter your facility in the third year.
- j. **OTHER PHYSICAL COMPONENTS** – Describe other physical components of your envisioned facility that are not covered above that you believe the City should know.
- k. **OPTIONAL – VISUALIZATIONS** – Provide detailed floor plans, visual simulations, photo simulations, building elevations, and/or other graphic visualizations of the exterior and/or interior of the facility.

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- l. OPTIONAL – LOCATION – If you have selected a location for your facility, then identify the location of your envisioned facility. Provide address and photographs of the exterior and interior as they currently exist.
- m. OPTIONAL – STRATEGIC RELATIONSHIPS – If your facility will have a strategic relationship with another business or businesses, then describe that relationship. The relationship may be direct or indirect. For example, your business could be: a retail outlet for cannabis products produced in Eureka by other license holders; located directly above a retail shop that sells cannabis paraphernalia; located within the same building in which cannabis is cultivated and which will be the source of cannabis for the retail store; or located in a suite inside a larger building that has other suites that provide a range of non-cannabis retail and service-oriented businesses that complement your cannabis retail facility.

3. SECTION 3: Mission and Identity (25 points):

- a. MISSION STATEMENT – Outline the “Mission Statement” of your business.
- b. IDENTITY – Describe the “identity” of your business. What will the business be like in a broad esoteric sense? How will this business be perceived by your customers? How will this business be perceived by the community?
- c. WHY EUREKA? – Describe in detail why you want to locate your business in Eureka. Why are you choosing Eureka over other places?
- d. REPRESENTATION OF EUREKA – How will you represent Eureka and Humboldt County when describing your business?
- e. WHY CHOOSE YOU? – Describe what makes your business special. Why should the City choose your business over the competition?
- f. IDEAL STAFF – Describe the ideal type of people you want to work in your facility. What are you going to look for in your staff?
- g. IDEAL CUSTOMERS – Describe the ideal type of people you want to shop in your facility. What are you going to look for in your customers?
- h. RELATIONSHIP TO TOURISM – Describe your relationship with tourism in Eureka. How will you cater to visitors to our area? Do not misinterpret this question as an assumption that the City will provide more points to businesses that are tourism-centric. Answer this question honestly. Being tourism-centric is neither good nor bad; we simply want to understand your envisioned business model.
- i. COMMUNITY PARTICIPATION – Describe how you will participate in our community by volunteering or donating to local causes. How will your business benefit Eureka?
- j. MIX OF PRODUCTS – Describe your projected mix of the products. Create a copy of the table below showing the ratio of the different products. Instead of percent of total sales, your proposal may show percentage of facility dedicated to each category.

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CATEGORY	% OF TOTAL SALES (LOW ESTIMATE)	% OF TOTAL SALES (HIGH ESTIMATE)
Whole flower (for off-site sales)		
Whole flower (for on-site consumption)		
Concentrates (for off-site sales)		
Concentrates (for on-site consumption)		
Tinctures and edibles (for off-site sales)		
Tinctures and edibles (for on-site consumption)		
Topicals (for off-site sales)		
Topicals (for on-site consumption)		
Paraphernalia (pipes, hookahs, lighters, unloaded vaporizers, rolling papers, empty jars, etc.)		
Clothes, hats, jewelry, posters, stickers, and other merchandise		
Non-cannabis food		
Other (describe below)		

4. SECTION 4: Business Operations (20 points):

- a. Name of Business.
- b. OWNERSHIP STRUCTURE – Describe in detail the ownership structure of your business. Will the business be incorporated? Will the business be a sole-proprietorship? Etc.
- c. MARKETING STRATEGY – Outline in detail your proposed marketing strategy, including:
 - i. The mechanisms through which you will advertise.
 - ii. The style through which you will present your business to the world. What will your marketing materials generally look like? What is your marketing style?
 - iii. Describe your target audience(s) that you will have in mind when creating and distributing your marketing materials.
 - iv. Describe two to five hypothetical customers that you envision as your target audience(s). Are they young, elderly, locals, tourists, veterans, frequent customers, one-time customers, medical users, etc. Describe them in detail.
- d. BUSINESS MANAGEMENT STRATEGY – Describe your overall strategy for managing your envisioned business. Explain how you will professionally and successfully run a legitimate business.
- e. OPERATING HOURS – Identify the hours and days of the week the retail facility will be open.
- f. ON-SITE CONSUMPTION OPERATIONS – If applicable, explain how the business will handle tracking of serving sizes/limits, educating consumers about their products, and transportation for patrons who have consumed cannabis at the retail facility. Describe in detail how your business will meet any applicable State laws and regulations related to on-site consumption to include labor law, building code, cannabis regulations, etc.
- g. POSITIONS AND SALARY RANGES – Outline the types of positions that your business will include. Identify the range of salary that each individual will earn.
- h. NUMBER OF EMPLOYEES BY TYPE – Identify the maximum and minimum number of

employees (by type) that you envision employing.

- i. EMPLOYEE BENEFITS – Describe your business’s employee benefits.
- j. STAFF RECRUITMENT – Describe your staff recruitment and screening processes.
- k. CALIFORNIA LABOR LAW – Describe your strategy for hiring and supervising employees according to mandatory California labor laws.
- l. FINANCIAL ACCOUNTING – Describe in detail how you plan to conduct day-to-day accounting and how you will manage tax collections and payments.
- m. INVENTORY CONTROL – Describe how you will conduct inventory control under a system monitored by law enforcement.
- n. LEGAL COMPLIANCE – Outline how you plan to comply with local and State regulations.
- o. FINANCIAL PLANNING – Describe in a general sense your financing plan. How will you fund start-up costs?

5. SECTION 5: Qualifications and Experience (20 points):

- a. BUSINESS TRAINING AND EDUCATION – Outline all relevant business-related training and/or education completed by the owners and/or management team of the proposed business.
- b. EXPERIENCE WITH RETAIL – Describe your experience owning and/or managing a retail operation. Describe the specific retail-related experience possessed by the owners and/or management team of the proposed business.
- c. GENERAL BUSINESS EXPERIENCE – Describe all other non-retail relevant business-related experience possessed by the owners and/or management team of the proposed business.
- d. LEGAL COMPLIANCE EXPERIENCE – Describe the experience of the owners and/or management team of the proposed business with each of the following:
 - i. Staff recruitment and screening processes.
 - ii. Establishing and managing employee benefit programs.
 - iii. Hiring and supervising employees according to mandatory California labor laws.
 - iv. Day-to-day accounting and tax management.
 - v. Inventory control.
 - vi. General compliance with local and State laws.
- e. TEAM MEMBER BIOGRAPHIES – Provide resumes, CVs, and/or brief professional biographies of the owners and/or management team of the proposed business. Biographies shall include: a summary of the qualifications, licenses, and experience of each individual; the approximate proportion of time that each individual will contribute to the establishment and operations of the business; the type of work to be performed by each individual.
- f. CONFLICTS OF INTEREST – A statement which discloses any past, ongoing, or potential conflicts of interest which the Respondent may have as a result of performing the work in this proposal. If none exists, then state that the proposed owners and management team of the proposed business have no conflicts of interest.

6. SECTION 6: Summary Page (5 points):

- a. SUMMARY PAGE – As the final, full-page of the proposal, create a succinct summary overview of the proposed business and facility. Structure this page as an easy quick-reference guide that the review panel can use to understand your proposal “at-a-glance”. Make it concise and well-organized and do not exceed one page. Make it the very last page of the proposal.

- b. **SIGNATURE – The bottom of the summary page must be wet-signed by an authorized representative of the Respondent.**

7. SECTION 7: Other Requirements (0 points, but required):

- a. PHYSICAL COPIES – Ten (10) bound copies and one (1) unbound copy of the proposal shall be submitted in a sealed envelope or box and the title of the project shall be plainly marked on the outside of the envelope or box (see cover page of RFP for the title of the project). Proposals shall be printed double-sided on standard 8.5" x 11" paper.
- b. ELECTRONIC SUBMITTAL – An electronic version of the proposal must be submitted to the City via the following email: developmentservices@ci.eureka.ca.gov.
- c. TIMELY SUBMITTAL – Applicants shall submit copies of their proposal to CITY by mail or hand delivery by the date identified above. Postmarks will not be accepted.

SELECTION CRITERIA

The City of Eureka is using a competitive proposal process, wherein all proposals will be reviewed and rated by a selection panel according to the following criteria:

CRITERIA AND REQUIREMENTS	MAXIMUM POINTS
Cover letter outlining Respondent's interest/understanding regarding cannabis retail	5 points
Physical description and layout	25 points
Mission and identity	25 points
Business operations	20 points
Qualifications	20 points
Summary page	5 points
Other requirements	Required
Maximum points possible	100 Points

Evaluation Process

A Cannabis Selection Committee (Committee) appointed by the City Manager will evaluate each submittal to determine if it meets the minimum requirements of this RFP. The Committee may meet with some or all of the Respondents and may ask some or all of the Respondents to clarify, supplement or modify certain aspects of their submittal. The Committee may request that the most qualified Respondents give a brief presentation to Council.

The Committee will submit to the City Council for the Council's approval the names of those Respondents who the Committee recommends should be invited to submit an application for a Use Permit. The number of Respondents the Committee chooses to recommend will depend upon the quality of the proposals submitted.

The Committee will report its recommendation(s) to the City Manager and City Council. The Eureka City Council has final approval of all cannabis retail facility invitations, and either the Planning Commission or the Director of Development Services will act on the Use Permit applications. Selection will be made within nine weeks of the RFP deadline, if possible. The City of Eureka reserves the right to reject any or all Proposals, to waive minor irregularities in Proposals, and/or to negotiate minor deviations with the successful Respondent(s).

Interviews:

The Committee may select several top-scoring proposals on the date that the panel first meets and forward those proposals to City Council. However, the Committee may alternatively determine that a number of top-scoring proposals will be interviewed and provided with refined post-interview scores. If deemed necessary by the Committee, the City will conduct interviews with the top-scoring proposals on the date identified at the beginning of this RFP. Those proposals selected for interviews will be notified on the day after the Committee review. Selected proposals will have up to six days to prepare interview materials/presentations. Selected interviewees will be invited to be interviewed in person, but may elect to be interviewed via a video conference call.

SUBMISSION INFORMATION**Optional Pre-submittal Meeting:**

On the date and time identified on the first page of the RFP, the City will host a pre-Submittal meeting for all interested parties. This will be an opportunity to meet with City officials and ask questions. The meeting is not mandatory, but is highly encouraged. Respondents that cannot attend the meeting in person may attend via conference call. Contact the City's Contact Person for a copy of the conference call information.

Submittal of Questions and Release of Addendum #1:

Questions regarding the RFP shall be submitted to the Contact Person via email by the date specified on the front page of this RFP. The City will also record any questions that are asked in person or over the phone. The City will then post Addendum #1 on the City's website to answer all questions posed via email, in-person, and by phone. CITY shall not be responsible for any explanations or interpretations of the Request for Proposals other than by Addendum #1. No oral interpretation(s) of any provision in the Request for Proposals shall be binding upon CITY.

Required Number of Copies and Required Format of Proposal:

Elaborately packaged and lengthy proposals are neither required nor desired. Proposals should be concise and contain relevant information by which the City can judge the qualifications of the Proposer and the quality of the proposal. All submittals shall be typewritten or printed in ink clearly and legibly, in conformance with the RFP. Proposals shall be double-sided. Ten (10) bound copies and one (1) unbound copy of the proposal shall be submitted in a sealed envelope or box and the title of the project shall be plainly marked on the outside of the envelope or box (see cover page of RFP for the title of the project). An electronic version of the proposal must also be submitted to the City's Contact Person (see cover page of RFP for email address).

Delivery of Proposal:

It is the Respondent's responsibility to ensure that the hard copies and electronic copy of the submitted RFP is received by CITY prior to the hour and date for submittal of the proposal specified on the cover page of the RFP. Proposals shall be submitted in a sealed envelope or box and the title of the project shall be plainly marked on the outside of the envelope or box (see cover page of RFP for the title of the project). Any proposals received by CITY after the hour and date shall be rejected and returned unopened. Proposals shall be mailed or hand-delivered to the City's Contact Person (see cover page of RFP for physical address). Postmarks will not be accepted. **An electronic version of the proposal must also be submitted to the City at developmentservices@ci.eureka.ca.gov.** All proposals received by deadline shall become the property of CITY. CITY is not responsible for the proposals delivered to a person/location other than specified above.

The City of Eureka is not responsible for any costs incurred in preparation of the Proposals.